Income

There are many different ways to measure personal income. Income can be measured for individuals, families or households. One can determine income before or after taxes and other deductions. Income can be measured in current dollar values, or compared with other years by adjusting for inflation.

The statistics in this update, unless otherwise indicated, measure income:

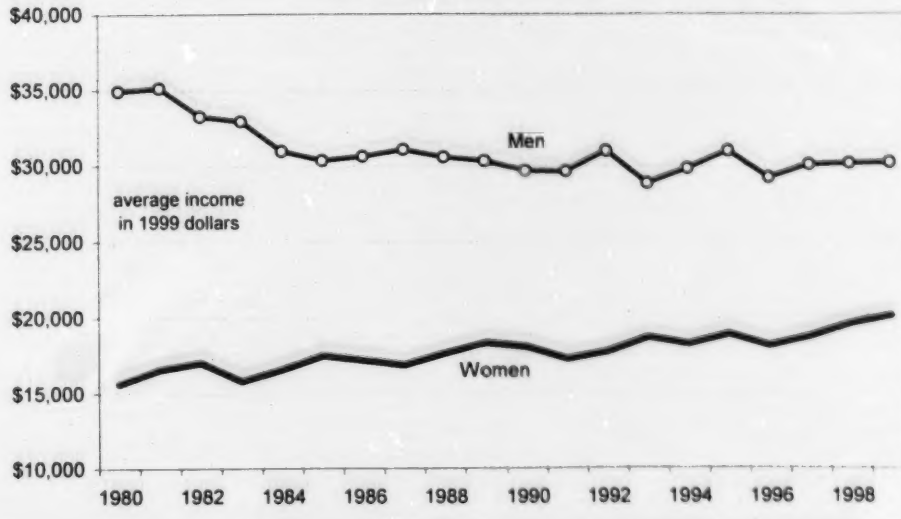
- adjusted for inflation by using constant 1999 dollars;
- at a gross annual level before taxes and other deductions;
- for individuals, 16 years-of-age or older (rather than families or households); and
- excluding those with no income at all[1].

The source for the income information is Statistics Canada's *Income Trends in Canada* CDROM[2]. This compilation of survey data describes incomes up to and including the calendar year 1999.

Average Incomes

In 1999, the average income among the 369,000 adult women in Saskatchewan with income was $20,005. Figure 1 shows that, after adjusting for inflation, average incomes among Saskatchewan women have been generally growing over the past two decades, although there have been some periods of decline.

Figure 1: Average Individual Incomes before Taxes for Saskatchewan Men and Women, 1980 to 1999



From 1990 to 1999, the average income of women grew by an average of 1.1% per year. Income for men, on the other hand, declined but now appears to have stabilized. The income gap between men and women is gradually closing. In 1980 women's average income was 45% of men's income, compared with 61% in 1990, and 66% in 1999.

Sources of Income

The growth in average income for women is not a simple consequence of higher participation rates in the labour force, although that has made a difference. The table below shows income for women in 1999 broken down by source showing:

- the number of women who receive at least some income from the source, both as an absolute number and as a percentage of the total;
- the average amount received among those who received at least some income from that source; and
- the average among all women, including those who did not receive income from that source.

Sources of Income for Saskatchewan Women in 1999

Income source		Women with income from this source			Amount received from this source averaged over all women
		Number	Percent of all women*	Average amount received**	
Employment income	Wages and salaries	231,000	63%	$20,190	$12,660
	Self employment	51,000	14%	$7,620	$1,060
Total employment income		**258,000**	**70%**	**$19,610**	**$13,710**
Other market income	Investments	143,000	39%	$2,490	$970
	Private pensions	45,000	12%	$8,130	$990
	Other	57,000	15%	$2,690	$420
Total market income (employment income plus other market income)		**326,000**	**88%**	**$18,190**	**$16,090**
Government transfers	OAS/GIS	81,000	22%	$6,380	$1,400
	CPP	81,000	22%	$4,120	$900
	Employment insurance	32,000	9%	$3,720	$320
	Child tax benefit	111,000	30%	$2,300	$270
	GST credit	142,000	38%	$340	$130
	Social Assistance	38,000	10%	$4,080	$420
Total government transfers		**272,000**	**74%**	**$5,310**	**$3,920**
Total income from all sources		**369,000**	**100%**	**$20,005**	**$20,005**

* total of items exceeds 100% because of multiple income sources

** total of items exceeds total income from all sources because not all sources are present for all women

In 1999, 69% of women's income was from employment – 64% from wages and salaries and 5% from self-employment, including net farm income. Eighty-eight percent of Saskatchewan women receive at least some income from their market activities (see box), typically from employment or investments. Market income makes up 80% of average individual income – $16,090 out of the average of $20,005.

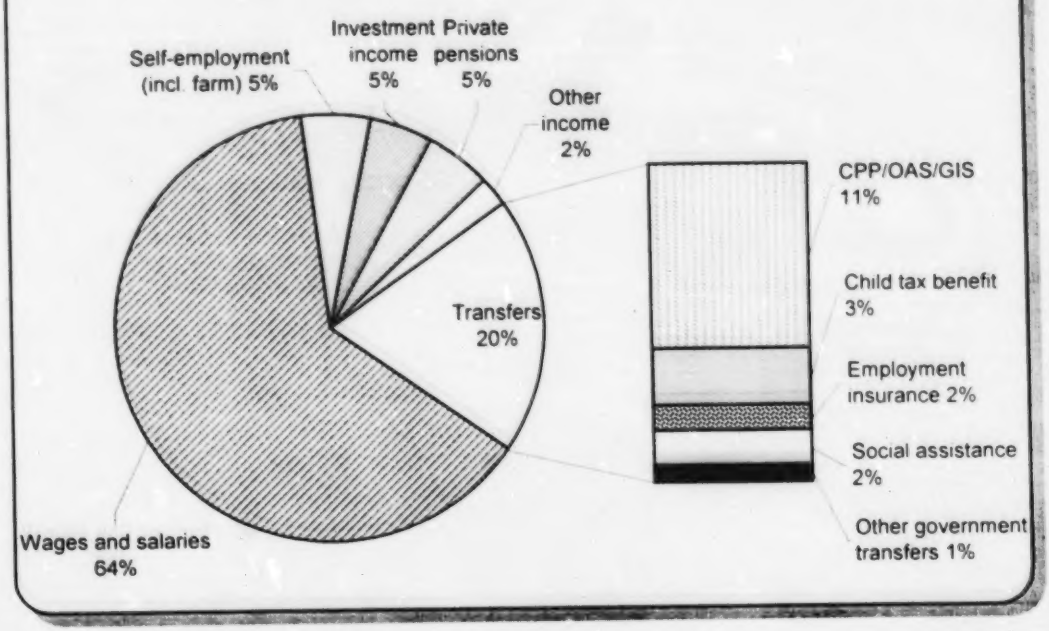
Market Income

Market income is defined as income that comes from other than government transfers. It includes income from employment, both paid employment and self-employment; income from investments and private pensions plans; and "other" income.

Over the ten years from 1989 to 1999, market income increased by 8% to provide an extra $1,160 in average income from this source. This increase arose from a variety of changes.

- Wage and salary income grew by $1,600 on average, and income from self-employment grew by $200.
- Investment income declined by $1,060 because of lower interest rates and lower rates of personal savings.
- Income from private pensions increased by $230.
- "Other" income (e.g., alimony and child support, scholarships, retirement allowances) increased by $150.

Figure 2: Sources of Income, Saskatchewan Women, 1999



Government transfers include:

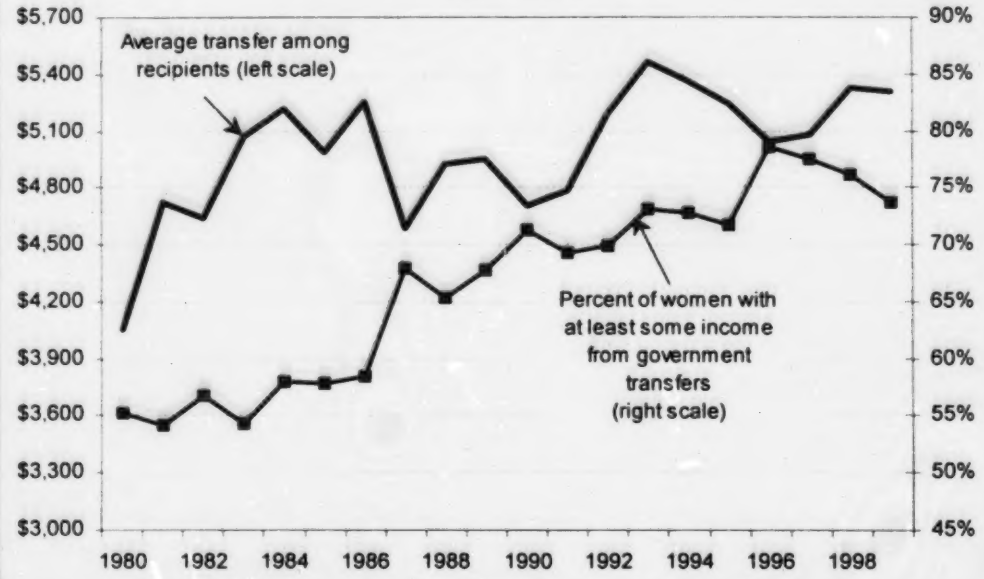
- employment insurance and Canada Pension Plan benefits to which women earners have made a contribution from their market income;
- Old Age Security and General Income Supplement benefits which raise incomes of elderly in need;
- the Child Tax Benefit for eligible families with children under 18;
- Social Assistance payments; and
- other transfers such as Workers' Compensation and the GST credit.

Government transfers represented 20% of women's income in 1999, and have been increasing in importance over the past ten years (see Figure 3). From 1989 to 1999, average incomes from government transfers grew by 16%, including an increase in the amount received of:

- 51% from Canada Pension Plan payments;
- 28% from social assistance; and
- 64% for the Child Tax Benefit.

Average incomes from Old Age Security payments have remained constant. Average income from the Employment Insurance program declined by 20% over this period.

Figure 3: Income from Government Transfers, Saskatchewan Women, 1980 to 1999



From 1980 to 1996, the proportion of women receiving government transfers increased, reaching a high of 79% in 1996. The proportion declined to 76% in 1999. The average amount received was $5,300 in 1999. In that year, 58% of men received at least some government transfer payments, and the average amount received was $5,500.

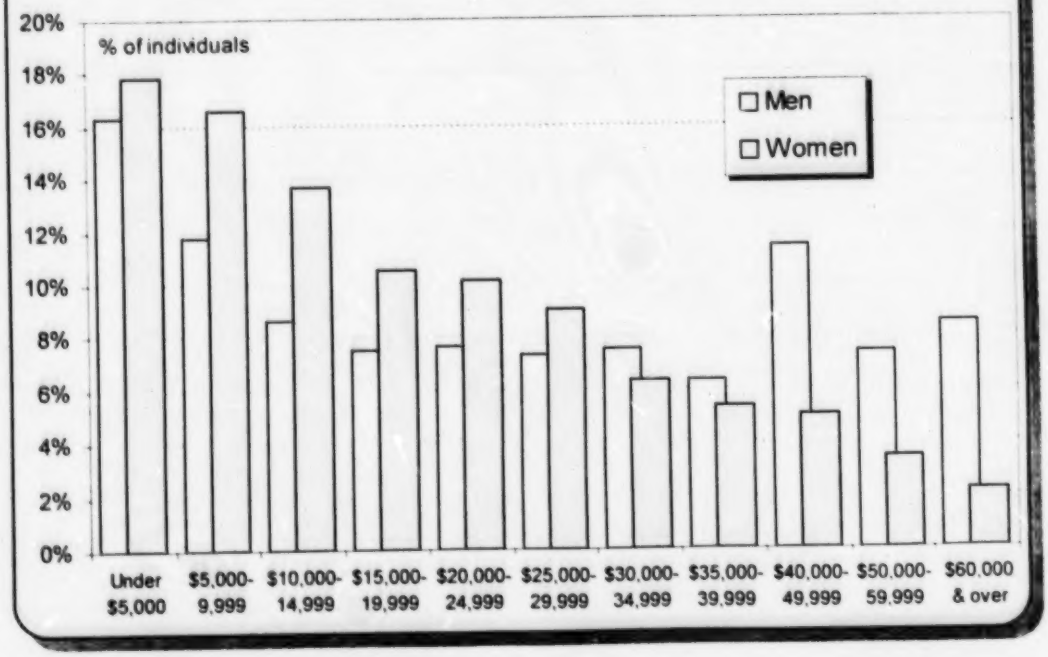
Income from Employment

Employment income represents 69% of total income for Saskatchewan women. Seven out of every ten women 15 years of age and older had at least some employment income in 1999. The average among those with employment income was $19,610, compared with $27,750 for men – a 31% difference.

Another measure of income is the median. It is the midpoint – one-half of the incomes are below the median and one-half above. Median employment income for women was $15,740, compared with $23,900 for men – a 34% difference.

There is a significantly higher proportion of women in each income category below $30,000 (see Figure 4). Forty-eight percent of women had incomes below $15,000 compared with 37% of men. The proportion hasn't changed substantially in the past ten years. At the other end of the scale, 11% of women and 27% of men have annual earnings of $40,000 per year or more.

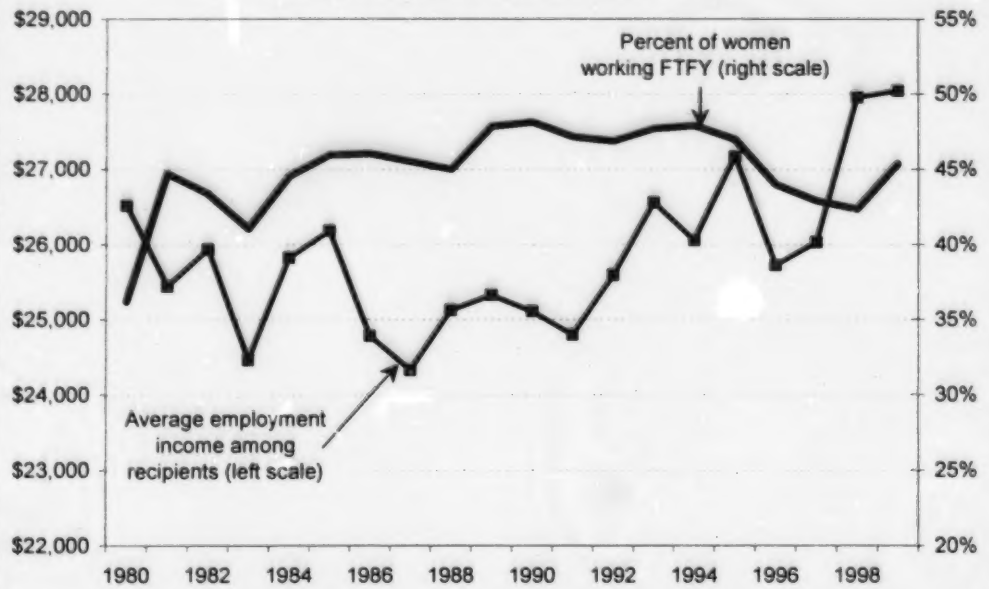
Figure 4: Distribution of Annual Income from Employment, 1999



A relatively high proportion of women work in jobs that are either part-time or seasonal, and this has an impact on their employment income. In 1999, for example, 45% of women worked the entire year on a full-time basis (referred to as full-time, full-year workers) compared with 56% of men.

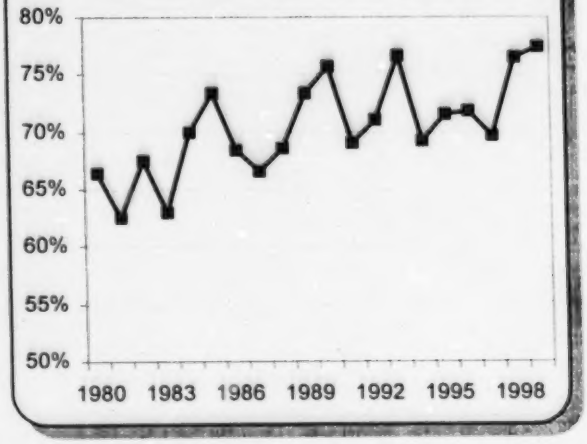
Figure 5 shows that the proportion of women working full-time, full-year has increased since 1980, reaching a high of 48% in the early 1990s, and falling back to 42% in 1998 before increasing to 45% in 1999. Their average incomes have shown the opposite pattern, declining to $24,000 per year in 1987 before increasing to $28,040 in 1999.

Figure 5: Employment Income among Saskatchewan Women Working Mostly Full-Time, Full-Year, 1980 to 1999



One measure of employment income inequality uses average earnings for women and men working on a full-time, full-year basis. Figure 6 shows that, over the long term, the wage gap between men and women is closing, albeit at a slow pace. In 1999, women working on a full-time, full-year basis were earning 77% of men working on a full-time, full-year basis. This compares with 76% in 1990 and 66% in 1980.

Figure 6: Women's Earnings as a Percentage of Men's Earnings, Full-Time Full-Year Workers, 1980 to 1999

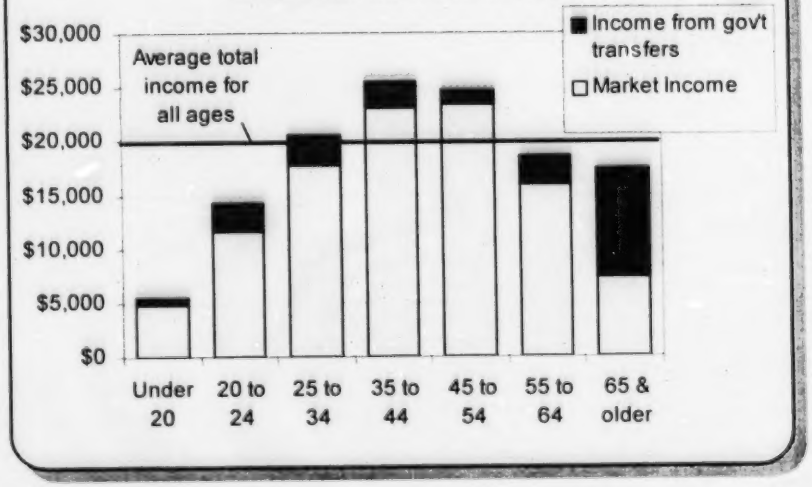


Income by Age Group

Women's incomes peak in the 35 to 54 age group at about $25,000 per year (see Figure 7). The higher levels of income in this age group are the result of a higher proportion of income from employment – women in the 35 to 54 age group earn more than 90% of their income from the market. This compares with 82% among those 20 to 24 years of age, and 86% among those 55 to 64 years of age.

Women under 35 or over 54 receive a higher proportion of their income from government transfers. Younger women are more likely to be receiving social assistance, the Child Tax Benefit or maternity leave benefits. Older women are more likely to be receiving CPP, OAS and other pension benefits.

Figure 7: Average Income by Age Group, Saskatchewan Women, 1999



Employment Income by Industry and Occupation

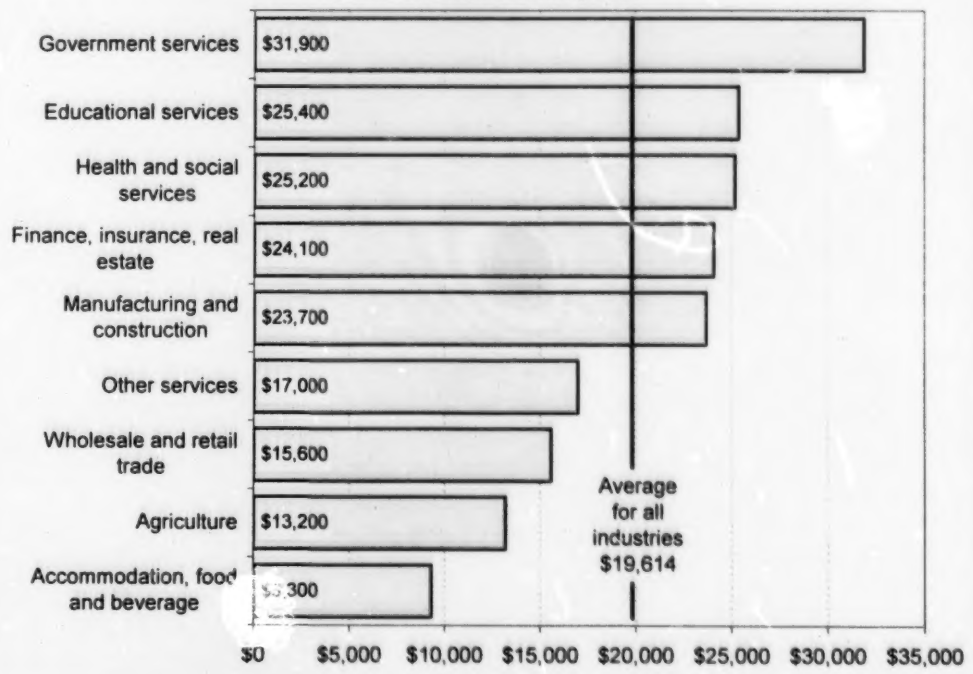
Figures 8 and 9 show employment incomes for women working in various industry and occupation groups. Employment income is affected both by the wage rates paid in an industry or occupation, and by the number of hours worked. These averages include both full-time and part-time workers. The industry and occupation groups are determined according to an individual's main job; whereas the income is for all employment throughout the year, possibly including work in other industries or occupations.

Earnings for women are highest in the public sector – education, health and government services – both because wage rates tend to be higher in these

Employment by Industry and Occupation

Statistics for employment in industry and occupation groups require careful interpretation. The industry group refers to the type of business in which the person is employed, whereas the occupation group refers to their duties. Many occupation groups cross industry boundaries. In the retail trade industry group, for example, there are people in managerial occupations, as well as people in sales occupations and service occupations.

Figure 8: Average Employment Income by Industry Group, Saskatchewan Women, 1999



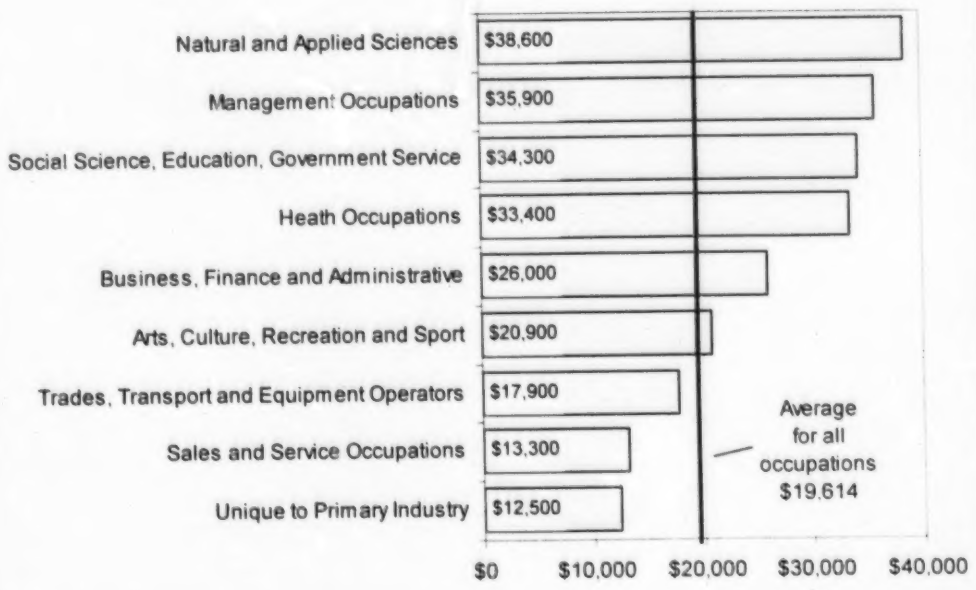
industries, and because women in these industry groups tend to work in full-time positions. Wage rates tend to be higher in industry groups that have higher rates of unionization. In 1999, 79% of women working in the public sector were covered by a collective agreement, compared with 14% of women working in the private sector[3].

Earnings are lowest in the accommodation and food services industry, where only 7% of women are covered by a collective agreement and employment is often part-time or seasonal.

The occupational breakdown in Figure 9 shows a similar pattern. Earnings are highest in: natural and applied sciences; management; social science, education and government; and health occupations.

Earnings are lowest in sales and service occupations, where wage rates are low and employment is often part-time or seasonal. In Saskatchewan, the low earnings in occupations "unique to the primary industry" largely reflect low earnings from farm self-employment.

Figure 9: Average Earnings by Occupation Group, Saskatchewan Women, 1999



Low Incomes

In this section, women's incomes relative to the Low Income Cut-Off (LICO) are examined. The LICO is a measure of income inequality, although it is often called the "poverty line" and is frequently used as a measure of poverty.

Based on family size and geographic location, the LICO is the income level below which a family would be expected to spend a disproportionately large share of their income on necessities such as food, clothing and shelter. The LICO in 1999 for a city the size of Regina or Saskatoon was $15,340 for a person living alone, and $23,850 for a family of three. In a rural area the LICO for a family of three was $19,220, and $12,360 for a person living alone.

The tax system has a significant effect on the proportion of women in low income families. In 1999, 18% of women lived in families which had before-tax income that was below the LICO. After adjusting for income taxes, the percentage below the LICO was reduced to 10%.

Figure 10 shows that the proportion of women who lived in families with after-tax incomes below the LICO has fluctuated between 10% and 17% over the past two decades, and is currently at its lowest rate since 1980. The data also show that, on an after-tax basis, fewer men than women have low incomes.

Figure 10: Individuals in Households below the LICO, 1980 to 1999, All Ages

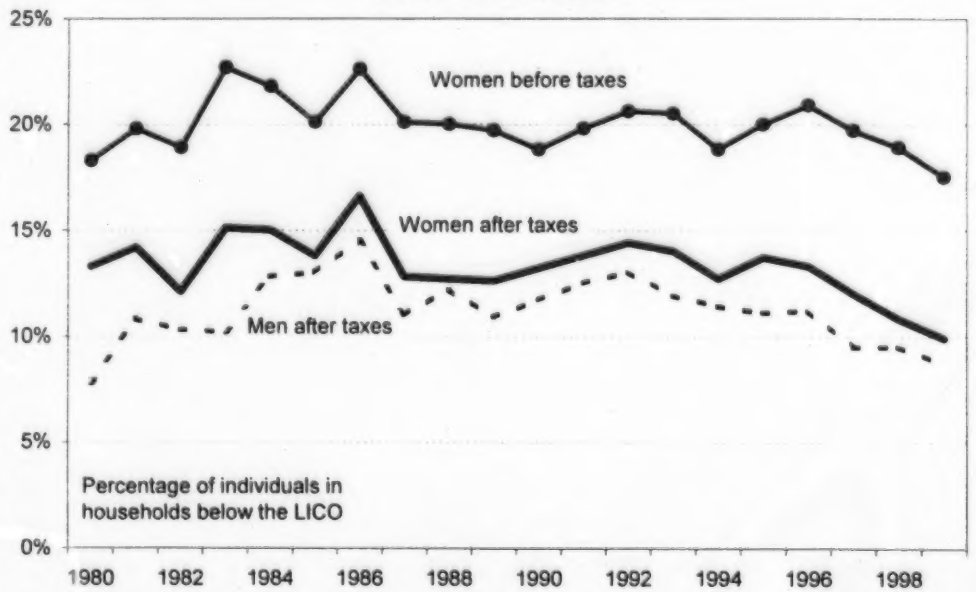
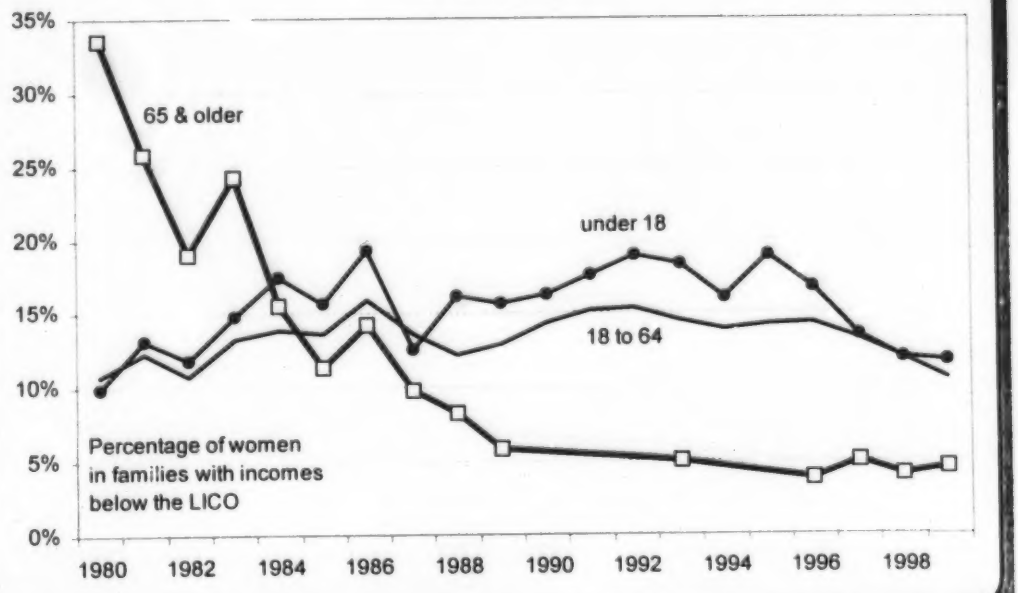


Figure 11 shows that the age distribution of girls and women living in families with incomes below the LICO has changed dramatically. In the 1980s, the percentage of senior women living below the LICO dropped from 33% in 1980 to 6% in 1989, and it has remained low since then.

Over that same period, however, the proportion of girls and women under the age of 18 living in households below the LICO increased from 10% in 1980 to 19% in 1992. This proportion has fallen back to 12% over the past few years.

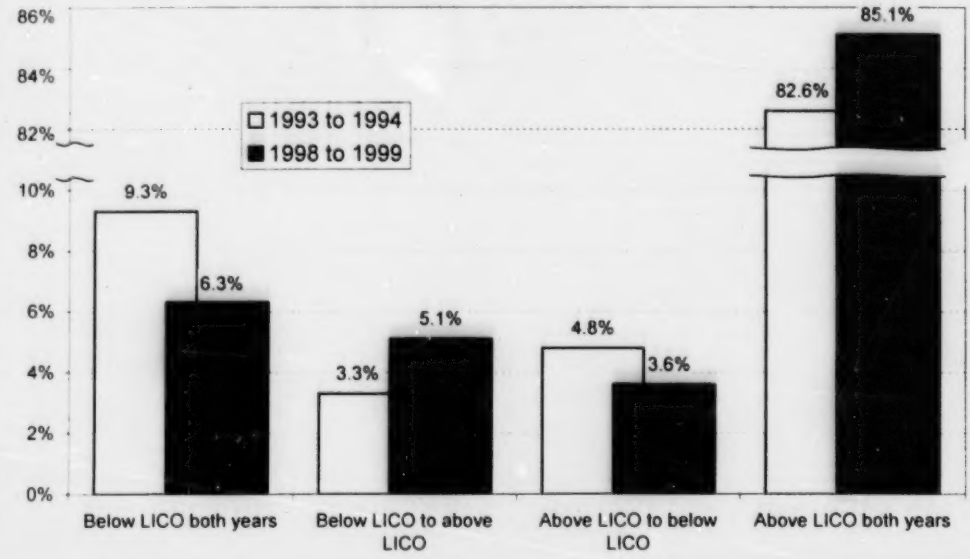
Lone-parent families are much more likely to have incomes below the LICO. In 1999, 5% of two-parent families with children had after-tax income below the LICO, compared to 30% of lone-parent families headed by women. As a result, 6.5% of children in two-parent families were below the LICO, compared with 29% of children in lone-parent families headed by women.

Figure 11: After-Tax Low Income Among Saskatchewan Women, by Age Group



There is a good deal of turnover in the population of women below the LICO. While circumstances are leading some women into poverty, others are improving their situation and moving out of poverty. Figure 12 shows the flows into and out of poverty over time.

Figure 12: Flows Into and Out of Poverty
(changes in the percentage of women in households with after-tax income below the LICO)



Looking at the two-year period from 1993 to 1994,

- 9.3% of women were in households below the LICO in both years,
- 3.3% moved from below the LICO to above the LICO,
- 4.8% moved from above the LICO to below the LICO, and
- 82.6% were above the LICO in both years.

From 1998 to 1999,

- 6.3% of women were in households below the LICO in both years,
- 5.1% moved from below the LICO to above the LICO,
- 3.6% moved from above the LICO to below the LICO, and
- 85.1% were above the LICO in both years.

Over the most recent two years, the percentage whose income changes moved them from below to above the LICO has increased, and the percentage moving in the opposite direction has declined. A declining proportion of Saskatchewan women have incomes consistently below the LICO, and an increasing proportion have incomes consistently above the LICO.

Income Diversity

The averages contained in this statistical update describe the general income levels for all women in Saskatchewan. In reality, there are great variations in the life circumstances of women in the province, and many of these circumstances directly or indirectly affect their income levels. The following information indicates some of those differences, showing the greater disadvantage experienced by many groups of women. These figures are from the 1996 Census of Canada, and describe incomes over the 1995 calendar year for Saskatchewan women.[4]

- In 1995, in Saskatchewan, 27,070 women over the age of 15 had no income of their own, out of the 381,400 women in this age group. Thus, 7.1% of women over the age of 15 had no income of their own.

- The average income for women with income was $17,002. If the women without any income are included, the average income was $15,800.[5]

- The average income for Aboriginal women (including the 9% with no income at all) was $10,200, compared with $16,300 for non-Aboriginal women.

- The average income for rural women was $13,830, compared with $17,340 for urban women.

- Saskatchewan women who immigrated to Canada after 1981 had average incomes of $12,000, compared with $15,800 for non-immigrant women.

- The average income for visible minority women was $13,400, compared with the provincial average of $15,800.

- The average income for senior (65 years and older) women was $16,670, compared with the provincial average of $15,800.

- Women with an activity limitation due to a disability had lower incomes. The average income was $13,700.

- Women who worked the entire year at a full-time position had an annual employment income of $25,200, compared with $10,500 if they worked either part-time or part of the year.

- Women with less than Grade 9 completed education had an annual employment income of $10,600, compared with $27,800 if they had a university degree.

Notes

Source: These data are derived from two separate surveys conducted by Statistics Canada. The data are drawn from two household surveys: the Survey of Consumer Finances (SCF) and the Survey of Labour and Income Dynamics (SLID). Data prior to 1996 are drawn from the SCF and data since 1996 are taken from SLID.

1. *There were an estimated 386,500 adult women (15 and older) in Saskatchewan in 1999. These statistics exclude the approximately 5% of adult women with no income at all.*

2. *The catalogue number for the CDROM is #13F0022XCB. It is a compilation of income data from the Survey of Consumer Finances and the Survey of Labour and Income Dynamics.*

3. *Source: Labour Force Survey. The rate of unionization is based on only paid workers meaning that it excludes the self-employed.*

4. *Further information on these women can be found in other Statistical Updates from the Saskatchewan Women's Secretariat on Aboriginal Women, Rural Women, Visible Minority Women, Immigrant Women, Senior Women, Women with Activity Limitations, Lone-Parent Women, Employment and Education.*

5. *The $15,800 average income including women with no income is calculated by dividing total income by the number of women.*